

SYSTEM OF FUNDS AND ACCOUNTS

The district shall maintain a system of funds with the county treasurer in accordance with state law and the accounting manual approved by the state superintendent of public instruction. The funds are:

A. General Fund

The General Fund (GF) is financed primarily from local taxes, state support funds, federal grants, and local receipts. These revenues are used specifically for financing the ordinary and legally authorized operations of the district for all grades. The GF includes moneys which has been segregated for the purpose of carrying on specific activities such as the basic education program, the program for the handicapped and so on. The GF is managed in accordance with special regulations, restrictions and limitations and constitutes an independent fiscal and accounting entity.

B. Capital Projects Fund

The Capital Projects Fund (CPF) contains the proceeds from the sale of voted bonds (unlimited tax general obligation bonds), and non-voted bonds (limited general obligation bonds), State of Washington financing assistance (state matching moneys, transfers from the district's basic education allotment, the proceeds of special levies earmarked for building purposes, earnings from capital projects fund investments, growth management impact fees, state environmental protection act mitigation payments, rental or lease proceeds, and proceeds from the sale of property. Permissible expenditures from the proceeds derived from the sale of voted bonds, including the investment earnings thereon, is governed expressly by state law and, may include the acquisition of land or existing buildings, improvements to buildings and/or grounds, design and construction and/or remodeling of buildings, or initial equipment, provided that the bond election resolution and ballot proposition approved by the voters authorizing the bonds includes these items. The Washington Constitution prohibits the use of voted bond proceeds to replace equipment. Proceeds from other sources are also governed by state law and may be used for major renovation and replacement including but not limited to roofing, heating and ventilating systems, floor covering and electrical systems; renovation of play fields and other district real property; energy audits, capital improvements and major items of equipment, furniture and implementing technology systems, facilities and projects, including acquiring hardware, licensing software, and on-line applications that are an integral part of the district's technology system. Any money from the sale of voted bonds and investment earnings thereon remaining after the authorized capital improvements have been completed may be used to: (a) acquire, construct, install, equip and make other capital improvements to the district's facilities; or (b) retire and/or defease a portion of voted bonds, all as the school board may determine by resolution after holding a public hearing pursuant to RCW 28A.530.020. Investment earnings derived from other sources in the CPF should be retained in the CPF and used for statutorily authorized purposes. The district may transfer investment earnings in the CPT, which have not been derived from voted bond proceeds, to a different fund; provided that, such investment earnings may only be expended for instructional supplies, equipment or capital outlay purposes. The superintendent should consult the board and appropriate district staff prior to altering the use of voted bond proceeds and transferring investment earnings out of the CPF.

C. Debt Service Fund

The Debt Service Fund (DSF) is for the payment of principal of and interest on outstanding voted and non-voted bonds. Disbursements are made by the county treasurer by means of treasurer's checks. Provision shall be made annually for the making of a levy sufficient to meet the annual payments of principal and semiannual payments of interest. The district may transfer surplus investment earnings from the DSF to any other school district fund; provided that, such investment earnings are spent only for instructional supplies, equipment or capital outlay purposes. The district may transfer such investment earnings to other school district funds unless the resolution authorizing the voted bonds requires investment earnings to remain in the DSF to secure payment of voted bonds, thereby reducing future tax collections and the corresponding tax levy rate. The superintendent should consult with the board and appropriate staff prior to transferring interest earnings out of the DSF. Non-voted bonds are required to be repaid from the school district's DSF, rather than the fund that actually received the non-voted bond proceeds. As a result, to pay principal of and interest on the non-voted bond, an operating transfer must be used from the CPF (or other fund) to the DSF. The school district should create a separate account within the DSF to repay the non-voted bond. The district should internally segregate the money pledged to repay the non-voted bond from any excess property taxes deposited in the DSF for the repayment of voted bonds. Prior to the issuance of a non-voted bond the superintendent or a designee shall review the repayment process with the board and the county treasurer. The proceeds from the sale of real property may be placed in the DSF or CPF except for the amount required to be expended for the costs associated with the sale of such property.

D. Associated Student Body Program Fund

The board is responsible for the protection and control of student body financial resources just as it is for other public funds placed in its custody. The financial resources of the Associated Student Body Program Fund (ASB Fund) are for the benefit of students. Student involvement in the decision-making processes related to the use of these funds is an integral part of the associated student body, except that the board may delegate the authority to a staff member to act as the associated student body for any school which contains no grade higher than grade six. Money in the ASB fund is public money and may not be used to support or oppose any political candidate or ballot measure. Money raised by students through recognized student body organizations shall be deposited in and disbursed from the fund which is maintained by the county treasurer. The ASB Fund is subject to management and accounting procedures which are similar to those required for all other district moneys. ASB constitutions shall provide for participation by ASB representatives in the decisions to budget for and disburse ASB money. Private non-associated student body fund moneys raised for scholarships, student exchanges and charitable purposes shall be held in trust by the district.

E. Transportation Vehicle Fund

The Transportation Vehicle Fund (TVF) includes the proceeds from the sale of transportation vehicles; lease, rental, non-voted bonds, or occasional use of surplus buses; depreciation reimbursement for district-owned buses; proceeds of TVF optional transfers from the GF; and investment funds coming from the TVF. The TVF may be used to purchase and/or rebuild buses on a contract or cash basis. Money may be transferred from the TVF to the DSF exclusively for the payment of principle and interest incurred on non-

voted debt incurred by the TVF. Such a transfer does not constitute a transfer of money from the TVF with the meaning of RCW 28A.160.130.

The district shall maintain a system of bank accounts as follows:

- A. A district depository and/or transmittal bank account,
- B. An associated student body imprest bank account for each school having an associated student body organization approved by the board,
- C. Petty cash accounts in such numbers as are necessary to meet the petty cash needs of the schools and divisions of the district. The board may authorize the establishment of such accounts. Each petty cash account shall be approved by the board. A custodian shall be appointed for these accounts who shall be independent of invoice processing, check signing, general accounting and cash receipts functions. If this separation of functions is not feasible, another employee who is independent of those functions shall be responsible for reviewing the management of each account, and
- D. A district imprest account.

Legal References:	Wash.Const., Article VII, § 2 Voted bond proceeds and capital levy proceeds - Uses
	RCW 28A.320.320 Investment of funds of district
	28A.320.330 School funds enumerated--Deposits -- Uses
	28A.325.010 Fees for optional noncredit extra curricular events-Disposition
	28A.325.020 Associated student bodies--Powers and responsibilities affecting
	28A.325.030 Associated student body program fund—Fund-raising activities – Nonassociated student body program fund moneys
	28A.335.060 Surplus school property – Rental, leases or use of – disposition of moneys received from
	28A.505.140 Rules and regulations for budgetary Procedures - Review when superintendent [SPI] determines budget irregularity-- Revised budget, state board's financial plan until adoption
	28A.530.010 Purposes for use of voted bond proceeds
	28A.530.020 Bond issuance – Election – Resolution to specify purposes
	28A.530.080 Additional authority to contract indebtedness
	42.17.130 Use of public office or agency facilities in campaigns – Prohibition - Exception
	43.09.200 Division of municipal corporations—Uniform

	system of accounting
43.09.210	Division of municipal corporations--Separate accounts for each fund or activity
84.52.053	Levies by school districts authorized – When - Procedure
84.52.056	Excess levies for capital purposes authorized
WAC 392-123	Finance--School District Budgeting
392-138	Finance--Associated Student Body Moneys
State Auditor Bulletin #301, III(E), Petty Cash	

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Grandview School District
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System of Funds and Accounts

The following guidelines shall be used in managing bank accounts:

- A. The amount of the imprest fund of a school shall be based on the highest amount of funds expended in one month. The amount shall be approved by the board of directors.
- B. The board of directors shall appoint a staff member to serve as custodian of the fund. A surety bond shall be secured in the amount of the fund.
- C. Use of imprest funds and/or petty cash shall be restricted to those obligations cannot be handled by voucher.
- D. Imprest funds and/or petty cash may not be used to circumvent any laws related to purchasing.
- E. All receipts which are submitted for reimbursement shall be dated and signed by the submitter.
- F. Imprest accounts shall be replenished at least monthly by warrant or check payable to the custodian. The replenishment must be made by voucher with appropriate receipts attached.
- G. Whenever an individual's appointment as custodian is terminated the imprest fund must be replenished and turned over to the fiscal officer.
- H. Local audits of each imprest account by someone other than the custodian of the account shall be made on a surprise and unscheduled basis at least once per year.

Associated Student Body Fund Procedures

The following guidelines shall be in effect in the operation of the respective associated student bodies:

- A. The principal shall appoint the primary advisor to the ASB. He/she shall be responsible for designating advisors to the various student subgroup organizations affiliated with the ASB. For schools with no grade higher than grade six, the board may delegate the authority to a staff member to act as the associated student body.
- B. The principal shall be responsible for supervising the accounting functions to be performed at the building level. The building-level accounting procedures shall be consistent with the accounting functions performed at the district office level.
- C. At the beginning of each year, the ASB shall submit a report which describes in summary those activities which constitute ASB programs.
- D. The ASB shall participate in the determination of the purposes for which ASB financial resources shall be budgeted and disbursed. Such purposes shall be reflected in the ASB budget which is submitted to the board of directors for its approval.

- E. The ASB shall approve all expenditures before money shall be disbursed from the fund. In the event that an associated student body student group conducts fund raising or solicits donations for scholarships, student exchanges and charitable purposes, the associated student body group shall approve all expenditures of money so raised.
- F. ASB funds may be used for purposes consistent with school district policy and approved by the governing body of the organization subject to the provisions incorporated into the student body constitution and bylaws. Private non-associated student body fund money held by the district is limited to scholarships, charitable contributions, and student exchange programs, and is limited to funds denoted for that specific purpose that have been so identified at the time of their collection, and that have been held in trust exclusively for donative purpose. Such funds must be contributed and raised on a voluntary basis.
- G. Fund-raising activities not associated with an ASB-sponsored organization, including raising private nonassociated student body funds are not permitted by law to be done under the direction or supervision of staff nor with the use of district equipment, supplies, facilities or other district resources unless the district is fully reimbursed for all such costs. The principal with permission from the Assistant Superintendent of Finance and Operations shall have the authority to arrange for non ASB funds to be held in trust in separate accounts in the fund so long as students are informed in advance that a charge shall be made to cover the full cost of the service. Ref. Policy 6102.
- H. For schools with students in grade seven or above, evidence of student approval must appear on all vouchers supporting a disbursement of ASB money. This includes purchase orders and imprest fund check requests.
- I. ASB moneys must be on deposit with the county treasurer with the exception of an imprest banking account and petty cash. Such funds shall be administered in the manner required by the regulations of the state board of education.

Management of District Bank Accounts

Moneys received for the district shall be handled as follows:

- A. Receipts shall be given for all moneys;
- B. All moneys received by the district, except those received by the county treasurer on behalf of the district, shall be deposited in the district's transmittal account. Provisions shall be made for individual buildings to have access to night depository. In no cases shall money remain in a building for more than 24 hours;
- C. Receipts from special events shall be deposited intact;
- D. All moneys in the transmittal account shall be transmitted to the county treasurer no later than the first of each month. Such transmittals shall be accompanied by a report indicating the sums to be credited to each of the district's funds;

- E. An accurate record shall be kept of all expenditures from each imprest account. Reimbursement to the maximum permitted shall be made to each imprest account by voucher each month; and
- F. Local audits of each imprest account shall be made on a surprise and unscheduled basis at least once per year. In addition, whenever there is a change of administrator, the imprest accounts which he/she administered shall be audited by the district.